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UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF COLORADO

DIV. OF OIL, GAS & MINING

M/023/007

IN RE:

NORTH LILY MINING COMPANY, INC.,
a Utah corporation,
EIN: 87-0159350

Debtor.

Bankruptcy No. 01-23068-EEB
Chapter 11

IN RE:

XERES TINTIC, LLC,
EIN: 84-1528808

Debtor.

Bankruptcy No. 01-23069-DEC
Chapter 11

Jointly Administered Under
Case No. 01-23069

**AMENDED NOTICE PURSUANT TO LOCAL BANKRUPTCY RULE 202 OF
MOTION TO APPROVE SETTLEMENT AGREEMENT WITH EPA,
STIPULATION WITH OLD WEST, AND STIPULATION WITH DOZORTSEV**

TO ALL PARTIES IN INTEREST:

NOTICE IS HEREBY GIVEN that the movant named below has applied to this Court or is intending to take action as follows:

The Debtor has made Application to the Court for an order approving a Settlement Agreement with the United States Environmental Protection Agency ("EPA"). The Settlement Agreement allows the Debtor to satisfy a \$2,274,780 general unsecured claim held by the EPA by providing the EPA with certain well water and borrow material. The well water and borrow material will be used by the EPA for reclamation related to old mining sites in Utah. The well water and borrow material are not otherwise marketable. The EPA is separately giving notice in the Federal Register pursuant to its public comment policies under the Comprehensive Environmental Response, Compensation and Liability Act. ✓

The Debtor has also filed Motion to approve a stipulation with Old West, a secured creditor in the case. The stipulation allows Old West to accrue interest at the contract rate of 13% and the amount of principal and interest due is agreed to as \$96,315.88. The Debtor reserves the right to review and object to the fees and costs of Old West. Old West agrees to withdraw its objection to the Plan and will amend its ballot to accept the Plan.

The Debtor has also entered into a settlement agreement with Nicky Dozortsev. The agreement provides that the Debtor pay Dosortsev \$10,000 at or soon after Plan confirmation, and provides Dozortsev with a \$20,000 general unsecured claim in the Plan, which shall be paid in stock. Dozortsev shall retain approximately 785,000 shares of stock which shall be subject to the reverse split under the Plan. The Debtor agrees to waive claims related to avoidance actions against Dozortsev. Dozortsev agrees to withdraw his objection to Plan confirmation.

A copy of the pleading is available for inspection in the Bankruptcy Court Clerk's Office, 721 -19th Street, First Floor, Denver, Colorado 80202, or upon request from the undersigned attorney.

Pursuant to Rule 202 of the Local Rules of Bankruptcy Procedure, if you desire to oppose this action you must file a written objection and request for a hearing with the Court on or before **MARCH 26, 2003**, and serve a copy thereof on the undersigned attorney. Objections and requests for hearing shall clearly specify the grounds upon which they are based, including the citation of supporting legal authority, if any. General objections will not be considered by the Court.

In the absence of a timely and substantiated objection and request for hearing by an interested party, the Court may approve or grant the aforementioned application without any further notice to creditors or other interested parties.

Dated: March 3, 2003.

Respectfully submitted,

By: 

Lee M. Kutner, No. 10966
Jenny M.F. Fujii, No. 30091

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